

CITY COUNCIL MINUTES

**February 11, 2013
REGULAR SESSION**

The Regular Session of the Auburn City Council was held in the Council Chambers, City Hall, 1225 Lincoln Way, Auburn, California on Monday, February 11, 2013 at 6:00 p.m. with Mayor Hanley presiding and City Clerk Stephanie Snyder recording the minutes.

CALL TO ORDER at 5:45 p.m.

ROLL CALL:

Council Members Present: Keith Nesbitt, J. M. "Mike" Holmes, William Kirby, Bridget Powers, Kevin Hanley

Council Members Absent: none

Staff Members Present: City Manager Robert Richardson, City Attorney Michael Colantuono, Community Development Director Will Wong, Fire Chief Mark D'Ambrogio, Public Works Director Bernie Schroeder, Transit Analyst Megan Siren, Deputy City Clerk Amy Lind, Administrative Services Director Andy Heath and Police Chief John Ruffcorn.

By **MOTION** adjourn to a Closed Session under Government Code Section 54957.6

MOTION: Powers/Nesbitt/Unanimously approved by voice

Existing Litigation:
(G.C. 54956.9(a))

Name of Case: City of Auburn v. Sierra Patient and Caregiver Exchange, Inc. et al.

Names of Parties: Plaintiff: City of Auburn. Defendants: Sierra Patient and Caregiver Exchange, Inc. (dba S&R Blooms & Blossoms); Richard Miller; and Does 1-10

Case No. S-CV-0029599 (Placer Superior Court)

REPORT OUT OF CLOSED SESSION

Mayor Hanley reported that there were no reportable actions.

PLEDGE OF ALLEGIANCE

AGENDA APPROVAL

The agenda was approved as presented by consensus of the Council.

CONSENT CALENDAR

1. Appointment of Economic Development Commissioners

By **RESOLUTION 13-12**, appoint Monti Reynolds and Randy Wagner to the Economic Development Commission with a term ending 2/1/2017.

2. Minutes

By **MOTION**, approve City Council minutes of 11/26/2012, 1/14/2013 and 1/28/2013.

3. Auburn Foothills Franchise Conference Sponsorship

By **RESOLUTION 13-13**, approve funding of \$500 for sponsorship of the Auburn Foothills Franchise Conference.

4. Proposition 1B Transit Security Grant Program – On-Board Cameras

By **RESOLUTION 13-14**, authorize the City Manager and/or Director of Public Works to submit and execute on behalf of the City of Auburn a grant application for the California Transit Security Grant Program.

***** End of Consent Calendar *****

By **MOTION**, approve the consent calendar.

MOTION: Powers/Nesbitt/Approved 5:0

5. Public Comment

None

COUNCIL BUSINESS

6. Regional Sewer Project Update and Option Consideration

Public Works Director Bernie Schroeder presented this item. She said the discussion tonight is to determine the City's intent to continue or not continue with this regional project. She reviewed the background and purpose, status of the project, staff findings including financial and operational, and alternatives available to Council.

Finance Director Andy Heath spoke about the financial scenarios available to participate in this project (available in the staff report). He spoke about the financial position with retaining the current treatment plant.

Council Member Kirby asked about the 18 million dollar figure needed for rate stabilization, the draft Environmental Impact Report, future costs for upgrades, financial impact from future regulations on Auburn's treatment plant, comparisons of rates of other foothill treatment plants, make-up water responsibility, construction costs, and the State Water Resources Board opinion on foothill treatment plants going regional.

Council Member Powers asked about the federal funding no longer existing, the estimated annual operations and maintenance cost, comparison of Auburn's treatment plant to the regional plant, and subsidiary for stabilizing the rates for Auburn ratepayers.

Jack Duran, Placer County Supervisor, he said he supports regional for wastewater needs because it has been pursued for some time, the State Water Resources Board said regional is the future of treatment plants, and that it is an issue of risk management (with restrictions and upgrade requirements/ compliance). He said the Placer County Treasurer-Tax Collector is in discussions with SRF about a zero percent interest rate because of the type of project and number of jurisdictions participating. He said Lincoln's plant is state of the art and is located outside of Lincoln with room to expand. He said the question is "do you want to be in the wastewater business or join a regional project?" He spoke about how Placer County came to their decision to join the regional project. He said Placer County is willing to commit 7 million dollars for consideration as the floor to permit Auburn to consider a regional wastewater treatment program. He spoke of other possible cost savings to Auburn. He asked about the 1.5 million for ongoing expenses previously mentioned. He said he is willing to work with Auburn to try to make this project work.

Council Member Nesbitt asked about the financial impact with the possible zero percent financing.

Mayor Hanley asked where the 7 million dollars is coming from. Supervisor Duran said it comes from the PLCO General Fund.

Holly Heinzen, Placer County Executive Office, said county staff and board members are very committed to working on something that ultimately will work for Auburn as well. She said this is still the beginning of the conversation and just another step in an ongoing process.

Mark Miller, Director of Public Services with the City of Lincoln, spoke about the 1.5 million dollar figure for annual maintenance based on numbers Auburn's staff provided. He also spoke about the difference of discharging water in the foothills compared to where the Lincoln plant discharges in terms of environmental constraints and effect on the ecosystem.

Council Member Powers asked if a further definition of the project could be completed by Lincoln after the discussion tonight. She asked if the deal points could be taken into consideration and a new agreement drafted.

Council Member Holmes asked if there are revenue funds from selling water that would come back to help subsidize Auburn.

Council Member Nesbitt asked about control and governance in the proposed structure; specifically in regards to mandating a situation where it is determined that there is something compromising the system by only one contributing agency.

Mayor Hanley asked if there would be the power (in the governance structure) to set rates equally among the three jurisdictions involved.

Gabe Aronoo, Design Engineer with Stantec, said there is no rate setting influence from Lincoln to Auburn or Placer County. He said the operational costs will be divided up on a per gallon basis; Auburn will set its rate, add a collection component and that will set the rate.

Bob Snyder, resident of Auburn, spoke about cost components in a regional system and how they can differ from location to location. He said there are many positive factors being discussed tonight: the project is still alive, the County has taken definitive leadership, the differential between regional and stay alone costs is shrinking, future savings not yet quantified, and the make-up water situation. He said he is disappointed to hear the deal is "still undefined". He said it is impossible to compare the Auburn plant to the "state of the art" Lincoln plant due to storage capacity and the ability to re-use water in positive ways. He said you cannot discount the value of the water. He said it's important to understand the long term value of this project.

Orin Bennett, Executive Director of Placer Nevada County Wastewater Authority, said having a rate at \$70 a month per EDU, stabilized, is outstanding. He said rates are harder to stabilize with a small user base; encouraging a regional project due to large user base.

Mayor Hanley asked about reclaimed water handling.

Council Member Holmes asked about decommissioning MSD1 as part of this regional process and if the Auburn facility would be responsible for partial treatment. He compared Auburn's sewer rate with higher sewer rates for other cities in this area. He said he has not seen any statements on management and authority for a regional project. He said he agrees regional may be the answer for a long term solution; but there are currently too many unanswered questions.

Council Member Nesbitt said he is interested in the zero percent loan option. He said he would like more of the costs fixed as opposed to assumptions. He said to support this he needs: (1) a JPA with a strong voice; veto power over major changes, (2) maintain complete control over our delivery system and the timing of any repairs, (3) no raise to ratepayers, (4) FERC funds to be diverted into an enterprise fund that either pays for the system or provides leveraging for the zero percent financing, (5) reimbursement at future costs from any developer that taps into the system between Auburn and Lincoln, (6) EIR approved with mitigation measures approved by Auburn, and (7) no responsibility for make-up water.

Council Member Kirby thanked Supervisor Duran and Montgomery, along with County staff for all their work on this project. He stressed the importance of a JPA for this project. He said the window of time to act on this is limited and could possibly not come around for another 50 years. He said it would be a tragedy and short sighted to not move forward with this regional project.

Council Member Powers spoke of the background between working with the county over the past years regarding keeping the rates down. She said it's environmentally responsible to move forward with a regional project. She said regional is what is best for the future of this community.

Mayor Hanley said the decision should be based on what the best long term interest is for Auburn ratepayers. He talked about Auburn's plant being named "Plant of the Year" earlier this year. He spoke about the Standard and Poor's analysis on the sewer bond rate and the upgrade to AA rating. He stressed we are currently in compliance at our plant and can meet future regulatory requirements from the state just as well as Lincoln. He said he looks forward to a request for a proposal for plant management in 2014, to possibly save on operations and maintenance of our own plant in the future. He said moving forward with regional would be one of the most risky and costly decisions in the history of Auburn. He said choosing to move forward, is choosing to go into great debt and financial uncertainty. He spoke about the lack of a governance structure. He said he cannot support using reserves from rates that were raised to

rebuild the local plant. He said the morally honest way to fund this project is to go to the voters to raise all the money needed to do the project. He said this project is not in the best interest of Auburn ratepayers.

Council Member Holmes spoke about the effect of increased rates on local businesses.

Council Member Nesbitt said there are still too many assumptions and he would like the deal points to come back to Council for further discussion before finalized.

By **MOTION**, continue to pursue the Regional Sewer and direct staff to prepare a set of deal points (to be brought back to Council to finalize) to present to Placer County and Lincoln in which to move forward. In addition to the deal points already provided on Exhibit A, include: (1) a JPA with a strong voice and veto power over any major changes in the by-laws of leadership, (2) maintain complete control over decisions and timing of repairs of our delivery system, (3) no raise to ratepayers, (4) FERC funds to be at least partially diverted into an enterprise fund, (5) reimbursement at future costs from any developer that taps into the system between Auburn and Lincoln, (6) EIR approved with mitigation measures approved by Auburn, and (7) no responsibility for make-up water.

Bernie Schroeder confirmed that these deal points will be drafted and brought back to Council to finalize.

Council Member Kirby said rates will go up regardless of the plant being used. He spoke of the benefits of moving forward with the regional plan. He said it's important to keep the conversation going with Placer County and Lincoln.

Mayor Hanley spoke about the risks of moving forward with a regional wastewater treatment plant. He said the ratepayers own the local treatment plant and deserve a say in the future of the wastewater treatment.

MOTION: Kirby/Powers/Approved 4:1 (Hanley voted no)

7. **Police Department Reorganization**

Police Chief John Ruffcorn presented this item. He said he is requesting a re-organization of the Police Department to provide for career development within the supervisory ranks. He said the proposed change fills the Lieutenant position and will then backfill the sergeant's position that opens up from the promotion. He said the Lieutenant can cover for

the Police Chief when unavailable and takes on many administrative duties.

Council Member questions followed regarding: (1) duties of Lieutenant, (2) coverage in the department, (3) required training, (4) sergeant interviews, and (5) re-org chart structure.

Council Member Powers thanked Chief and said there is increased visibility of officers in the community.

Council Members all commented on Chiefs exemplary leadership at the Police Department.

By **MOTION**, approve the Police Department's reorganization based on current and future needs (as shown on attachment A).

MOTION: Holmes/Powers/Approved 5:0

8. **Regional Resolution of Support for Sacramento Kings**

Council Member Powers presented this item. She talked about her involvement on the regional committee and the background on the possible move of the Kings.

Council Member Nesbitt asked about cost to taxpayers in regards to a new arena.

Mayor Hanley said the resolution is only showing support and no financial obligation; so he can support it.

By **RESOLUTION 13-5**, approve show of support to keep Sacramento Kings in the region and direct staff to send to Mayor Johnsons office.

MOTION: Powers/Nesbitt/Approved 5:0

REPORTS

9. **City Council Committee Reports**

Council Member Holmes said the Ad Hoc Committee regarding the 125th Anniversary of Auburn met last week and put together a preliminary list of events that will be brought to Council shortly. He reported that a private residence was recently approved for nomination on the National Register of Historic Places. He also reported Salinas and Carmel recently passed Certified Local Government (CLG) status. He spoke about the grants available to CLG cities. He reported the Chamber of Commerce Government Affairs committee will be hosting the joint Chamber meeting in March at the Holiday Inn. He also reported on a recent meeting he

attended in regards to the Auburn State Recreation Area and the Canyon Rim Interpretative Center project.

Council Member Nesbitt reported on the Economic Development Commission's current projects.

Council Member Powers reported on the Auburn Airport Business Park Association upcoming meeting.

Council Member Kirby reported on the School District race that his daughter is running in.

ADJOURNMENT

Mayor Hanley adjourned the meeting, without objection, at 8:30 p.m.

Kevin Hanley, Mayor

Stephanie L. Snyder, City Clerk

CITY COUNCIL MINUTES

**February 25, 2013
REGULAR SESSION**

The Regular Session of the Auburn City Council was held in the Council Chambers, City Hall, 1225 Lincoln Way, Auburn, California on Monday, February 25, 2013 at 6:00 p.m. with Mayor Hanley presiding and City Clerk Stephanie L. Snyder recording the minutes.

CALL TO ORDER at 5:45 p.m.

ROLL CALL:

Council Members Present: Keith Nesbitt, J.M. "Mike" Holmes, William Kirby, Bridget Powers, Kevin Hanley

Council Members Absent: None

Staff Members Present: City Manager Robert Richardson, City Attorney Michael Colantuono, Fire Chief Mark D'Ambrogi, Public Works Director Bernie Schroeder, Transit Analyst Megan Siren, Administrative Services Director Andy Heath and Sgt. Victor Pecoraro

By **MOTION** adjourn to a Closed Session under Government Code Section 54957.6

MOTION: Holmes/Nesbitt/Unanimously approved

Existing Litigation:
(G.C. 54956.9(a))

Name of Case: City of Auburn v. Sierra Patient and Caregiver Exchange, Inc. et al.

Names of Parties: Plaintiff: City of Auburn. Defendants: Sierra Patient and Caregiver Exchange, Inc. (dba S&R Blooms & Blossoms); Richard Miller; and Does 1-10

Case No. S-CV-0029599 (Placer Superior Court)

REPORT OUT OF CLOSED SESSION

Mayor Hanley reported that direction was given to the City Attorney and there is no reportable action.

PLEDGE OF ALLEGIANCE

**MAYOR'S COMMENDATIONS/PROCLAMATIONS/ACKNOWLEDGEMENTS/
ANNOUNCEMENTS**

Mayor Hanley presented a commendation for Auburn Drug Company.

AGENDA APPROVAL

The agenda was approved as presented by consensus of the Council.

CONSENT CALENDAR

1. **Warrants**

By **RESOLUTION 13-16**, ratify and approve payment of warrants 81499 through 81682 totaling \$548,256.33.

2. **Recognized Obligation Payment Schedule**

As Successor Agency to the dissolved Auburn Urban Development Authority, by **RESOLUTION 13-17**, approve and adopt an update to the Recognized Obligation Payment Schedule pursuant to Health and Safety Code section 34177.

3. **Planning Commission Appointment**

Item removed from the consent calendar.

4. **Historic Design Review Commission Appointment**

By **RESOLUTION 13-18**, reappoint Terry Green to the Historic Design Review Commission.

***** End of Consent Calendar *****

By **MOTION**, approve the consent calendar with item 2 as amended and excluding item 3.

MOTION: Holmes/Nesbitt/Approved 5:0

4a. **Planning Commission Appointment**

Council Member Kirby commented on caliber of interested applicants and he encouraged others to continue to step forward in the future.

By **RESOLUTION 13-19**, appoint Nick Willick to the City of Auburn Planning Commission.

MOTION: Kirby/ Powers/ Approved 5:0

5. **Public Comment**

Council Member Nesbitt said today would have been his late wife's 58th birthday and asked for the meeting to be adjourned in her honor.

COUNCIL BUSINESS

6. **Auburn Fire 2012 Incident Response Report**

Fire Chief Mark D' Ambrogi presented an overview of the 2012 Fire Department response and functions. This report included: (1) Fire Response, (2) Emergency Incidents, (3) Response Times, (4) Injuries & Mutual Aid, (5) Response Information, (6) Grant Review, (7) Volunteer Program & Training, (8) Department Operations, (9) Emergency Preparedness, and (10) Department Focus.

Council Member Holmes asked about availability of future grants due to pending federal sequestration and the ISO rating.

Council Member Nesbitt spoke briefly about the response times for critical incidents and asked about mutual aid responses.

Council Member Powers commended the fire department on their proactive hard work in the community and grants received.

Council Member Kirby asked the Fire Chief to bring back more detail on the EMS & Rescue breakdown. He said he would like an analysis on running different types of vehicles for "slip and trip" calls as opposed to running a fire engine to those types of incidents.

Mayor Hanley asked about the additional resources required to improve ISO class protection rating and testing of the Wide Area Rapid Notification system. He spoke of legislation needed for the area to create the ability to have physician assistants go on medical calls that can be handled off-site.

Council Member Kirby left the dais at 6:43 p.m.
Council Member Kirby returned at 6:44 p.m.

7. **Regional Sewer Project Deal Points**

Public Works Director Bernie Schroeder presented this item. She said this is a follow up from the February 11, 2013 meeting regarding creating deal points in regards to Auburn moving forward with a regional sewer project. She said in regards to the zero percent interest program that council asked she look into further; the requirements are the jurisdiction must

qualify as a disadvantaged community designation. She spoke of the minimal impact on the "per EDU" rate.

Council Member Powers asked about the process of the Environmental Impact Review.

Council Member Nesbitt asked for an amendment to the draft point: City Council Amendments #1: "Governance Agreement would be a Joint Powers Agreement with *Auburn having* a strong voice and veto powers over any major changes in the by-laws of leadership.

Council Member Holmes asked about the ability to qualify for the zero percent financing, proposition 218 processes, and the governance proposal.

Council Member Kirby clarified that if the deal points were accepted as written, the rate would be stabilized.

Charles Robb, resident of Auburn, asked about the disadvantaged community requirement and draft deal points in regards to labor negotiations for the regional pipeline.

Placer County Supervisor Robert Weygandt, District 2, said the County must reach closure in the next few weeks on this issue. He said it is unarguable that in Placer County the smaller treatment plants see larger increases than the larger plants due to regulation. He said future regulation on sewer treatment plants is unknown. He said he would like to have a joint workshop with the Auburn City Council and Board of Supervisors to work through the proposed deal points.

Richard Sanborn, resident of Auburn, spoke in opposition of this regional project and said he does not support sending the deal points to the regional partners.

Gordon Ainsleigh, resident of Meadow Vista, said he opposes the regional project saying it will bring unlimited density. He said he is under the impression that the project will not go forward without Auburn's involvement. He said there are too many unfunded liabilities.

Council Member Kirby commented on the power of a JPA saying city and county governments shouldn't be involved in this business. He said Placer County will move forward regardless of what Auburn decides to do. He said the only fiduciary responsibility of Auburn is to its ratepayers. He said he trusts the deal points will put together a governance structure that will protect Auburn ratepayers. He said he strongly supports the concept of a joint workshop to get to the bottom line.

Council Member Powers said a regional plant is the best long term solution and she also supports a joint workshop.

Council Member Holmes said the proposed deal points are going to create an unsatisfied response from the regional partners.

Council Member Nesbitt said he will also support a joint workshop between the partners. He said he understands the benefits of going regional, but is uncomfortable because there are still too many variables for the ratepayers of Auburn.

Mayor Hanley said he will oppose these specific deal points because they are not realistic. He said the deal points support a partial regional system and not a full regional system and it calls for the diversion of specified local plant improvement fee increase money from Auburn residents to this project. He said it is unlikely that the Board of Supervisors will subsidize the City at the rate of \$1M a year for seven years in the face of their other general fund needs. He said in order to make this realistic, the City would have to include a rate increase. He explained the difference in the partial regional system and a full regional system in regards to economy of scale. He said the Council should not divert the Public Works Director from other work to carry forward deal points that are unrealistic. He said there is no evidence that this flawed partial system will save the residents and business owners money in the future.

Council Member Kirby said he doesn't feel the county would be "subsidizing" Auburn, he said it's the rate payer's money that they have earned and deserve. He also said the County asked for a set of deal points, and the Council is doing that.

Council Member Holmes talked about Auburn's past efforts to address these issues with the County. He also talked about the increased cost to business owners in Auburn.

By **MOTION** do not send the deal points forward to Placer County or Lincoln.

Holmes/Hanley/MOTION FAILED 2:3 (Nesbitt, Kirby, Powers voted no)

Council Member Nesbitt said the discussions several years ago are very different from the discussions today. He said he supports the deal points as drafted.

By **MOTION**, approve the Regional Sewer Deal Points as amended and direct staff to send them to Placer County Board of Supervisors and the City of Lincoln Council with an expected response back within one month.

MOTION: Kirby/ Powers/ Approved 3:2 (Hanley/ Holmes voted no)

Conversation followed regarding the deal points being sent immediately and the purpose and timing of a workshop.

By **MOTION**, request a joint workshop between Placer County Board of Supervisors, City of Auburn and City of Lincoln regarding regional sewer.

MOTION: Kirby/ Powers/ Approved 5:0

Mayor Hanley said a workshop needs to have focus to be a productive conversation. He said the question really should be "should the City of Auburn (that's in compliance) agree to a rate increase to join a partial regional sewer; is it in the best interest of the city residents or not?"

Council Member Kirby confirmed again with the Public Works Director that if the deal points are accepted as approved, it would not result in a rate increase.

8. **Transfer of Documents and Records to the Placer County Archives**

Council Member Holmes presented this item. He said the City has a number of documents and records that need to be preserved and stored in a location where they will not deteriorate. He said the City Attorney has reviewed this list and said the items are eligible to be transferred to another facility. He said the new facility at Placer County is humidity and temperate controlled. He said the City Historian also supports this transfer. He said there is a portion of the records originally listed to move to Placer County that have since been removed from the list due to being records that need to be permanently retained by the City. He said because electronically retained is acceptable, in the future the physical records can be stored at Placer County Archives.

Council Member Nesbitt asked who the requesting agency is to move these items.

Council Member Holmes spoke about the Archive's practices in dealing with historical documents and records.

Council Member Kirby said some of items seem like they could be displayed in some of the display cabinets in City Hall. He asked about future ownership of the items.

Council Member Holmes said by transferring them to the County, they become property of the County, but the City would still have access to anything as needed.

Michael Otten, President of Placer County Historical Society, spoke in favor of moving these items to Placer County Archives.

By **MOTION**, approve the transfer of historic city documents and records to the Placer County Archives for safekeeping.

MOTION: Holmes/Powers/Approved 5:0

REPORTS

9. City Council Committee Reports

Council Member Holmes reported that the SEDCorp CEO position is being advertised; to be filled by July. He reported PCAPCD approved a new rule exempting the Dawson Oil Tanks from the CA Air Resources Board requirement to be painted reflective white. He reported the Clean Air Grant Program funding available. He also reported on the art work by local students in the City Hall Gallery.

Council Member Nesbitt reported on the EDC activities including the campaign contacting manufacturing CEOs, updating Discover Auburn Maps, and travel agency contacts. He also reported on the DBA and current website work being done. He said the DBA is also looking at the planter situation in Downtown.

Council Member Holmes spoke briefly about the forum in the Bay Area about the Chinese tourist industry. He said while he is in China he plans to connect with the "Visit CA" office located there.

Mayor Hanley spoke about the tourist connections being made by Bootleggers. He also reported on legislative introductions, saying there are 2,189 bills out. He reported on Placer County Flood Control District. He reported on SACOG blueprint and the Sacramento Board of Supervisors situation. He read a letter he received from the 7th grade class of students at St. Joseph's Catholic School.

ADJOURNMENT

Mayor Hanley adjourned the meeting, without objection, in memory of Ann Davies-Nesbitt at 8:17 p.m.

Kevin Hanley, Mayor

Stephanie L. Snyder, City Clerk